

UNMIK Customs Service



www.unmikcustoms.org

Customs Code

Customs Code comprises:

- **10 Headings**
- **28 Chapters**
- **98 Sections**



Customs Code


- Customs code is in accordance with the European Union and World Customs Organization (Kyoto convention –rewritten). Part dealing with the customs powers and offences, also is in accordance with the **Human Rights Standards**.



Customs Code

➤ *In the technical level*, it is an act of management and **does not provide power** for Customs tax or Tax, but it provides with the power of issuing **Administrative instructions**.

➤ The lay-up of the words in the customs system is based **EU model**, for a Customs Administration modern, where taxes, powers, *guaranties and procedures with economic impact are determined with the law*, whereas **Customs has the duty to implement this task in their routine work**.



Customs Code

➤ Because the Customs Code is in accordance with the WCO (World Customs Organization), regular customs procedures (with the customs usual terminology) are applied widely.



Law and economic

- New tax concepts are connected with the modern approach towards economy, for example when **customs bases the value on the transaction value**, this is the price paid actually for the imported goods.
- Further on **born of customs dept** will be **applied** only in the consumption (**when goods are sent to the free circulation**) in Kosova, and not when they pass the border.
- **Payment of the customs taxes could be postponed** and can be **paid in installments (e.g. once a month)**. This enables the customs and the traders to limit the circulation of the cash, to better organize their accounts and to develop human resources and the time



Offences

- **Offence regime is similar to the one in Great Brittan** which because of the long trade tradition, has build a connection between the regular law and the civil law, and it offers a the best compromise in Europe for the penal prosecution of non-regular practices and guaranties for the regular businesses.
- **Of course, it is compliant with the standards of the WCO**



Appeals

➤ Appeal system is close to the one applied for the tax payers, as foreseen with the UNMIK regulation, and compliant with the standards of the WCO:

- Appeals will be submitted in written
- A time limit will be set for submitting an appeal against customs decision
- Customs will issue the decision after receiving the appeal in written as soon as possible
- At the final instance, remonstrant will have the right to appeal to the juridical authorities.



Facilities

- ***Import/Export***

- Bans will not be applied in any of the goods, with the exclusion of weapons and narcotics.

- A small number of limitations, for the domestic products and foreign, are provided in compliance with the EU standards (mainly licensing the regimes on the traditional products such as medicaments, tobacco, sport and hunting weapons etc.).

- ***Standard exchange system***



Facilities

- ***Customs facilities thought UNMIK regulation :***
 - Regulation 2004/13 on zero customs duties on capital and intermediary goods
 - Regulation 2004/35 on zero VAT (amending the regulation 2001/11)



Customs Warehouse

- This creates the possibility of safeguarding the goods under customs control in a certain location (Customs Warehouse) without the payment of the customs **and import charges**, so the payment of the customs charges is postponed until they are sent to the market.
- Also it provides the possibility to postpone the payment **when goods are sold to the** domestic market with the payment of the customs charges, or the export of the goods in the foreign market.



Types of the customs warehouses

*** A, D and C**

*** Customs warehouse location**

- **Goods which can be stored in the customs warehouse.**
- **Goods which cannot be stored in the customs warehouse**
- **Time period for the authorization**
- **Responsibilities of the warehouse keeper**
- **Responsibilities of depositor**
- **Limited retail sale**
- **Guaranty**



Authorization

- **Basic condition for the authorization**
- **Customs visits**
- **Authorization/Refuse of the application for the customs warehouse**
- **Amending the conditions for the authorization**
- **Transferring the right of the authorization to the other company**
- **Canceling the authorization**
- **Accountancy data condition**
- **Stock records**



Private and Public Customs Warehouses

- **Private customs warehouse are enabled from the Customs code only to be used from specific persons**
- **Public customs warehouse are open for everyone** which have the right to remove the goods
- Customs will specify the type of the goods which will be received in the Private Warehouses
- Storing in the Public Customs Warehouses will be allowed for all the brands of the goods imported and that are subject to customs and taxes, disregards of the the amount, place of origin, place where they came or the destination
- Transfer of the ownership of the goods in the Customs warehouses will be allowed



Private and Public Customs Warehouses

Customs code

- Lays-up the requests for establishing, suitability and Management of the customs warehouse and control arrangements .
- Arrangements for for storing the goods into the Customs warehouse and accountancy (including security for dept coverage against customs, usually bank guaranty), are issues which should be approved from Customs.



Inward processing relief

- Enables the import of the foreign goods into Kosova, exempt from the from the payment of tax and customs, their processing and than re-export.
- Customs and taxes collected in different products, including also waste, gained from the processing or producing goods received for the for the inward processing re exported or destroyed under customs supervision.



Outward processing relief

➤ This procedure can be used for example import of the raw material . për importimin e repromateriali të destinuar për rieksporim pas procesimit pa paguar doganë.

➤ Arrangement for inward processing, for storing accountancy (security to cover the customs dept, usually bank guaranty) must be initially authorized from Customs.



Processing under customs supervision

- Under this procedure imported goods can be manufactured, or processed before they are sent to free circulation but under customs supervision, until the amount of the customs and tax is less than the amount applied in the imported goods.
- This procedure is similar to the inward processing and all the arrangements have similar conditions.



Placing goods under the procedure of customs warehousing

- **Goods entrance**
- **Presentation of the documents (border)**
- **Authorization of an agent to act on behalf of the depositor**
- **Depositor responsibilities and the warehouse keeper when goods are placed in the warehouse.**
- **Details requested in the accountancy data when goods are placed in the warehouse**



Transit

- It is one of the main means to facilitate trade; transit procedure is the same as in the EU countries (and other places).



Temporally permits (inflow - imports)

- With this procedure foreign goods could come into Kosova totally exempt **or partly from the payment** of customs and tax.
- These goods should be imported for specific reasons and must have re-export as their purpose in a specific time period, without having the to undergo changes apart from the normal ones (damages) from their usage..
- Partly relief from the import tax is set at 3 %, for each month and cannot exceeds the amount for the free circulation (time period 3 vjeqar)
- Security (**guaranty**) for the coverage of the customs dept and authorization from Customs are requested initially



Mandatory information

- This is one of the main tools for the traders, to have information from the customs Service regarding the goods which have not been previously been imported, to explain how we classify them and which fiscal regimes are applied for those goods, customs authorities reply to them.
- Each person can request, with a written letter, from the Director General to issue information on the tariff or customs origin.



Mandatory information

➤ Information on the tariff or origin will be provided from Customs:

- ✚ For the person requesting such info
- ✚ Regarding the tariff classification or determining the origin
- ✚ Regarding the goods for which customs formality have been completed when the information has been sent.

➤ Information on tariff will be valid on the following 6 years period, whilst the information on the origin will be valid for the 3 years period.



Guaranties

➤ Security can be granted according to the person choice , or from:

† Cash depositor, or

† Bank guaranties issued from Kosovar banks, or from international banks accepted could be also outside Kosova.



Reprise of the customs Code advantages

- Possibility of postponing the payments in Import and export
- Possibility of valuation of the goods in the customs stations-border
- Exemption from taxes for the goods designated for re-export
- Simplified procedures
- Transit procedures
- Facilitation measures for honest importers and severe measures for the dishonest

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